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UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION

CODE OF FAIR COMPETITION SERIES—CODE No. 13

CODE OF FAIR COMPETITION  
FOR  
THE LINSEED OIL MANUFACTURING  
INDUSTRY  
(FLAXSEED CRUSHING INDUSTRY)

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Approved by the President of the United States  
April 20, 1934

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1. Executive Order
2. Letter of Transmittal (Secretary of Agriculture)
3. Letter of Transmittal (Administrator, N.R.A.)
4. Code



UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1934



## EXECUTIVE ORDER

### Approval of Code of Fair Competition for the Linseed Oil Manufacturing Industry

*Whereas*, the Secretary of Agriculture and the Administrator of the National Industrial Recovery Act having rendered their separate reports and recommendations and findings on the provisions of said code, coming within their respective jurisdictions, as set forth in the Executive Order No. 6182 of June 26, 1933, as supplemented by Executive Order No. 6207 of July 21, 1933, Executive Order No. 6345 of October 20, 1933, and Executive Order No. 6551 of January 1934;

*Now, therefore*, I, FRANKLIN D. ROOSEVELT, President of the United States, pursuant to the authority vested in me by title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do hereby find that:

1. An application has been duly made, pursuant to and in full compliance with the provisions of title I of the National Industrial Recovery Act, approved June 16, 1933, for my approval of a code of fair competition for the linseed oil manufacturing industry; and

2. Due notice and opportunity for hearings to interested parties have been given pursuant to the provisions of the act and regulations thereunder; and

3. Hearings have been held upon said code, pursuant to such notice and pursuant to the pertinent provisions of the act and regulations thereunder; and

4. Said code of fair competition constitutes a code of fair competition, as contemplated by the act and complies in all respects with the pertinent provisions of the act, including clauses (1) and (2) of subsection (a) of section 3 of title I of the act; and

5. It appears, after due consideration, that said code of fair competition will tend to effectuate the policy of Congress as declared in section 1 of title I of the act; and

6. Three months after the effective date of this code, the code authority shall submit to the Administrator a study of the hours of labor, rates of pay, and other conditions of employment within this industry, with the view of revising the wages, hours, and other conditions of employment as set forth in this code.

*Now, therefore*, I, FRANKLIN D. ROOSEVELT, President of the United States, pursuant to the authority vested in me by title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do hereby approve said Code of Fair Competition for the Linseed Oil Manufacturing Industry.



*President of the United States.*

THE WHITE HOUSE,

*April 20, 1934.*

## AGRICULTURAL ADJUSTMENT ADMINISTRATION

### LETTER OF TRANSMITTAL

APRIL 20, 1934.

The PRESIDENT,  
*The White House.*

DEAR MR. PRESIDENT: I have the honor to submit the following:

1. There is transmitted herewith a code of fair competition for the linseed oil manufacturing industry, which I recommend for your approval and which the National Recovery Administrator recommends for your approval with reference to the labor provisions thereof. There accompanies the code the report of the Administrator of the Agricultural Adjustment Act, the report of the Administrator of title I of the National Industrial Recovery Act, and a true, correct and complete stenographic report of all the evidence introduced at a public hearing on said code, held pursuant to section 3 (a), title I of the National Industrial Recovery Act.

2. By virtue of Executive Order No. 6182 of June 26, 1933, as supplemented by Executive Order No. 6207, of July 21, 1933, Executive Order No. 6345 of October 20, 1933, and Executive Order No. 6551 of January 8, 1934, which, pursuant to title I of the National Industrial Recovery Act of June 16, 1933 (Public No. 67, 73rd Congress), delegated to me, as Secretary of Agriculture, certain of the powers vested in the President of the United States by the aforesaid act, and after considering the aforesaid code of fair competition and a true, correct, and complete stenographic report of all evidence introduced at such public hearing, and being fully advised in the premises, I make the following findings:

1. That an application has been duly made by the National Linseed Oil Manufacturers' Association, pursuant to and in full compliance with the provisions of title I of the National Industrial Recovery Act, approved June 16, 1933, for the approval of the President, of the Code of Fair Competition for the Linseed Oil Manufacturing Industry. Said National Linseed Oil Manufacturers' Association and the advisory body provided for in such code are truly representative of the industry, and no inequitable restrictions on admission to membership are imposed by the National Linseed Oil Manufacturers' Association.
2. That the linseed oil manufacturing industry, covered by such code, is included within the trades, industries, or subdivisions thereof, enumerated in Executive Order No. 6182 of June 26, 1933, as supplemented by Executive Order No. 6207 of July 21, 1933, Executive Order No. 6345 of October 20, 1933, and Executive Order No. 6551 of January 8, 1934.
3. That the provisions of the code establishing standards of fair competition (a) are regulations of transactions in, or

- affecting interstate (and/or foreign) commerce and (b) are reasonable.
4. That the code is not designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them and will not permit monopolies or monopolistic practices.
  5. That the code will not prevent an individual from pursuing the vocation of manual labor and selling or trading the products thereof nor prevent anyone from marketing or trading the produce of his farm.
  6. That due notice and opportunity for hearing, in connection with the aforesaid code, has been afforded interested parties, in accordance with title I of the National Industrial Recovery Act and applicable regulations issued thereunder.
  7. That said code will tend to effectuate the declared policy of title I of the National Industrial Recovery Act as set forth in section 1 of said act and that the terms and provisions of such code tend to: (a) remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof; (b) to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups; (c) to eliminate unfair competitive practices; (d) to promote the fullest possible utilization of the present productive capacity of industries; (e) to avoid undue restriction of production (except as may be temporarily required); (f) to increase the consumption of industrial and agricultural products by increasing purchasing power; and (g) otherwise to rehabilitate industry and to conserve natural resources.
  8. That said code, when approved by the President, will constitute a Code of Fair Competition for the Linseed Oil Manufacturing Industry within the meaning of section 3(a) of title I of the National Industrial Recovery Act.

Respectfully,

*Hawallace*  
Secretary.



# NATIONAL RECOVERY ADMINISTRATION

## LETTER OF TRANSMITTAL

APRIL 17, 1934.

THE PRESIDENT,

*The White House.*

SIR: This is a report on those portions of the Code of Fair Competition for the Linseed Oil Manufacturing Industry which, pursuant to the relevant Executive orders, are subject to the jurisdiction of the Administrator for industrial recovery. A public hearing was held in Washington, D.C., on December 6 and 7, 1933, in accordance with the provisions of the National Industrial Recovery Act.

### HOURS AND WAGES

Labor is placed on a basis of forty (40) hours per week, averaged over a four (4) weeks' period, and eight (8) hours per day, with a tolerance of two (2) hours per week to avoid interruptions in the continuous process. Clerical and other office employees are placed on a basis of forty (40) hours per week with a tolerance of four (4) hours per week for two (2) weeks following the closing of each quarterly period.

Employees in the executive and management groups receiving thirty-five dollars (\$35.00) per week or more are exempted from the provisions as to hours. Watchmen are limited to fifty-six (56) hours, truck drivers, deliverymen, shipping clerks, and stevedores to forty-five (45) hours; firemen and engineers to forty-eight (48) hours; and oil refiners to fifty-six (56) hours provided they receive thirty dollars (\$30.00) per week or more.

Overtime at the rate of time and one third is provided for emergency maintenance and repair work in excess of forty (40) hours averaged over a four (4) weeks' period. The six (6) day week is prescribed for all employees except watchmen.

The minimum rate for factory employees is set at forty cents (40¢) per hour (common labor for which the minimum rate is prescribed constitutes only a small percentage of the total force, the major portion being skilled and semi-skilled employees who receive higher rates); clerical and other office employees are placed on the fourteen-dollar (\$14.00) to sixteen-dollar (\$16.00) minimum with the usual population differentials, except junior clerks whose minimum is eighty percent (80%) of the foregoing rates. Sixteen dollars (\$16.00) is set as the minimum for watchmen. Piece work is provided for in the usual way.

### ECONOMIC EFFECTS OF THE CODE

The linseed oil manufacturing industry is concentrated at seaboard points where imported flaxseed is received, along the Great



Lakes, and adjacent to the flax-producing section of the Northwest. Some of the members of the industry crush flaxseed only; others crush other vegetable products for other oils. The principal products of the industry are linseed oil and linseed meal.

The industry crushed in the peak years of 1928 and 1929 more than 40,000,000 bushels of flaxseed per year; recent operations have been at the rate of less than 20,000,000 bushels per year, owing to the competition of imported linseed oil (which in Europe is regarded as the byproduct of the production of linseed meal) and of other oils which can be substituted. There is in process of formulation a plan to substitute the growing of flax in suitable sections of this country where the acreage planted to wheat is being curtailed, and thus to supply the deficit which now is met by the importation of flaxseed.

The industry is a continuous-process industry, operating twenty-four (24) hours per day, seven (7) days per week, with infrequent shut-downs. The two 12-hour shift arrangement has been supplanted by the three 8-hour shift arrangement with sufficient crews to meet the requirement of the forty (40) hour (five (5) day) week. There has been under the President's reemployment agreement an increase of fifteen percent (15%) in employment and a twenty percent (20%) to twenty-two percent (22%) increase in pay rolls. The code will effect a further increase in employment and pay rolls of approximately five percent (5%).

The industry maintained sixty-seven percent (67%) of its personnel in the face of a fifty percent (50%) decrease in its volume of business and the competition of foreign oil and substitute oils.

Accordingly, I recommend the approval of the Code of Fair Competition for the Linseed Oil Manufacturing Industry to the extent of my jurisdiction as stated in your Executive order of June 26, 1933.

Respectfully,

A handwritten signature in dark ink, reading "Hays S. Johnson". The signature is written in a cursive style with a large, prominent "H" and "J".

*Administrator.*



# CODE OF FAIR COMPETITION FOR THE LINSEED OIL MANUFACTURING INDUSTRY

## (Flaxseed Crushing Industry)

### ARTICLE I—PURPOSES

*Whereas*, it is the declared policy of Congress as set forth in section 1 of title I of the National Industrial Recovery Act:

To remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof, and to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, to induce and maintain united action of labor and management under adequate governmental sanction and supervision, to eliminate unfair competitive practices, to promote the fullest possible utilization of the present productive capacity of industries, to avoid undue restriction of production (except as may be temporarily required), to increase the consumption of industrial and agricultural products by increasing purchasing power, to reduce and relieve unemployment, to improve standards of labor, and otherwise to rehabilitate industry and to conserve natural resources.

*Now therefore*, to effectuate the policy of title I of the National Industrial Recovery Act, the following provisions are established as a code of fair competition for the linseed oil manufacturing industry of the United States, and its provisions shall be the standards of fair competition for such industry and shall be binding upon every member thereof.

### ARTICLE II—DEFINITIONS

As used in this Code, the term:

1. "President" means the President of the United States.
2. "Secretary" means the Secretary of Agriculture of the United States.
3. "Administrator for industrial recovery" or "Administrator" means the duly designated representative of the President to administer such functions and powers under title I of the National Industrial Recovery Act as are not delegated to the Secretary by Executive order.
4. "Act" means title I of the National Industrial Recovery Act, approved June 16, 1933.
5. "Flaxseed" (linseed) means the seed of the flax plant.
6. "Linseed products" means the two principal products obtained from the processing of flaxseed, i.e., linseed oil and linseed cake or meal, and other miscellaneous byproducts, such as flaxseed screenings and screenings oil.
7. "Industry" or "the linseed oil manufacturing industry" means the business of producing linseed products and the distribution of such products by the producers thereof.
8. "Member" or "member of the industry" means any individual, person, partnership, corporation, or other business unit (and the sub-

sidiaries and/or affiliates thereof) engaged in the linseed oil manufacturing industry as defined in paragraph 7, above.

9. "Subsidiary" means any person of or over whom a member of the industry or an affiliate of such member has, either directly or indirectly, actual or legal control, whether by stock ownership or in any other manner.

10. "Affiliate" means any person and/or subsidiary thereof who has, either directly or indirectly, actual or legal control of or over a member of the industry, whether by stock ownership or in any other manner.

11. "Employee" means any person engaged in the industry in any capacity receiving compensation for his services, irrespective of the nature or method of such compensation.

12. "Employer" means any one in the industry by whom any employee is compensated or employed.

13. "Books and records" means any books, records, accounts, contracts, documents, memoranda, papers, correspondence, or other written data pertaining to or affecting the linseed oil manufacturing business of a member.

14. "Labor provisions" means matters relating to the determination and administration of hours of labor, rates of wages, and other conditions of employment *within the industry* under the jurisdiction of the National Recovery Administration.

15. "Committee" or "code administrative committee" means the code administrative committee created pursuant to section 1, article X, of this code.

16. "Association" means the National Linseed Oil Manufacturers' Association, a nonprofit trade association composed of linseed oil manufacturers, organized at Washington, D.C., July 18, 1933.

17. "Advisory committee" means the committee selected pursuant to article XI.

18. "Watchman" means any employee whose principal duty is watching and guarding the premises and property of any establishment in the industry.

19. "Outside salesmen" means any salesman who performs primarily selling functions away from the establishment.

20. "Truck drivers and deliverymen" means any employee engaged in making delivery of any product of the industry.

21. "Shipping clerks" means any employee engaged in shipping or receiving raw materials or finished products of the industry.

22. "Fireman and engineer" means any employee engaged in the supervision or operation of any power plant within the industry in the production of steam and/or power in any form for the maintenance and operation of plants and properties within the industry.

23. "Oil refiners" means any technically trained employee engaged in the purification, refining, or chemical processing of linseed oil.

24. "Chief chemist" means any employee acting in a supervisory or administrative capacity in charge of production control and/or laboratory control, or the conducting of scientific research work.

25. "Stevedore" means any employee engaged in the loading or discharging of any boat or vessel carrying or transporting the raw materials or finished products of the industry.

26. "Office boy, messenger boy, and sample boy" means any employee engaged primarily in running errands either on or off the premises.

27. "Population" for the purposes of this code shall be determined by reference to the latest Federal census.

### ARTICLE III—HOURS OF LABOR

SECTION 1.—No employee except as herein otherwise expressly provided shall be permitted to work more than 48 hours in any week, nor more than 40 hours per week averaged over a 4-week period, nor more than 8 hours per day. However, on account of the continuous process involved in the industry, an additional 2 hours per week shall be permitted any employee to be used in case of any unavoidable delay in transportation, or other circumstances which might cause disarrangement of the shift system required by the continuous process.

No office employee shall be permitted to work more than 40 hours per week or 8 hours per day, except during 2 weeks following each quarterly closing period, when he shall be permitted to work 44 hours per week.

SEC. 2.—The maximum hours defined in section 1 of this article shall not apply to the following classes of labor:

(a) Executives, managers, superintendents, outside salesmen, chief chemists, and those employees engaged in supervisory, administrative, and technical capacities, who regularly receive \$35.00 per week or more.

(b) Watchmen, provided, however, that they shall not be permitted to work more than 56 hours per week.

(c) Truck drivers and deliverymen, shipping clerks, and stevedores, provided, however, that they shall not be permitted to work more than 45 hours per week.

(d) Firemen and engineers, provided, however, that they shall not be permitted to work more than 48 hours per week.

(e) Oil refiners who regularly receive not less than thirty dollars (\$30.00) per week, provided, however, they shall not be permitted to work in excess of fifty-six (56) hours per week.

SEC. 3. The maximum hours fixed in section 1 of this article shall not apply to any employee on emergency repair work involving break-downs, protection of life or property, or the prevention of spoilage and/or deterioration of goods, provided that any employee so working beyond 8 hours per day, or beyond 40 hours per week, averaged over a 4 weeks' period, shall be compensated for such overtime at the rate of  $1\frac{1}{3}$  times his normal rate.

SEC. 4. No employee except a watchman shall be permitted to work more than 6 days in any 7-day period.

SEC. 5. Reports shall be made monthly to the committee, stating the number of hours worked in excess of the maximum, as provided for herein.

### ARTICLE IV—RATES OF WAGES

SECTION 1.—(a) No employee, except as herein otherwise specially provided, shall be paid at less than the rate of forty (40) cents per hour.



(b) No person shall be employed in clerical or other office work at less than the rate of the following schedule of wages: In cities of over 1,000,000 population or the immediate trade area, \$16.00 per week; cities between 500,000 and 1,000,000 population or the immediate trade area, \$15.00 per week; cities between 250,000 and 500,000 population or the immediate trade area, \$14.50 per week; cities or towns of under 250,000 or in the immediate trade area, \$14.00 per week; except in the case of office boys, messenger boys, and sample boys, who shall not be paid at less than 80 percent of this rate; provided, however, that each member of the industry shall be allowed one such junior clerical employee, but in no other event shall the number of employees so compensated exceed 5 percent of the total number of clerical employees for any one member.

(c) No watchman shall be paid at less than the rate of \$16.00 per week of fifty-six (56) hours.

SEC. 2.—The rates provided in section 1 of this article guarantee a minimum rate of pay, regardless of whether the employee is compensated on the basis of time-rate, piece-work performance, or otherwise.

SEC. 3.—(a) Employers shall not reduce the hourly wage rates for occupations other than common labor which are now in excess of the minimum hourly wage rates herein provided for, and shall increase the hourly wage rates of factory employees by equitable readjustments of all pay schedules.

(b) No employer shall reduce the weekly wage rates of clerical or other office employees below the weekly earnings existing on July 15, 1933, even though the hours of employment shall have been, or may hereafter be, reduced to comply with this code.

(c) No employer shall reduce, or use any device or subterfuge for reducing, wage rates existing on July 15, 1933, of any employee. In the event that wage rates have been reduced subsequent to July 15, 1933, wage rates existing on July 15, 1933, shall be restored.

## ARTICLE V—GENERAL LABOR PROVISIONS

SECTION 1.—No person under sixteen (16) years of age shall be employed in the industry nor anyone under eighteen (18) years of age be employed at operations or occupations which are hazardous in nature or detrimental to health. The committee shall submit to the Administrator within sixty (60) days after the effective date of this code, a list of such operations or occupations.

SEC. 2.—Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives, or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

SEC. 3. No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing.

SEC. 4. Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

SEC. 5. This code shall not supersede any law imposing more stringent requirements on employers regulating the age of employees, wages, hours of work, or health, fire, or general working conditions than are imposed under this code.

SEC. 6. Employers shall not reclassify employees or duties of occupations performed by employees so as to defeat the purposes of the act.

SEC. 7. Each member of the industry shall comply with such rules and regulations, with regard to the posting of notices, bulletins, and extracts of code provisions, as may be from time to time issued by the Administrator. Such notices, bulletins, and extracts of code provisions shall be written in English and such other language as may be in general use throughout the plant.

SEC. 8.—After the effective date of this code, wages shall be exempt from fines, charges and/or deductions except with the written consent of the employee or when required by law.

SEC. 9.—Every employer shall make reasonable provision for the safety and health of his employees at the place and during the hours of their employment.

#### ARTICLE VI—UNFAIR METHODS OF COMPETITION

The following practices constitute unfair methods of competition:

SECTION 1.—To sell or offer for sale any linseed oil and/or linseed cake or meal that does not conform to the standards of quality and package and/or quantity shipment as defined in exhibit A appended hereto and made a part of this code.

SEC. 2.—To sell or offer for sale or otherwise introduce into commerce any linseed oil and/or linseed cake or meal that is misbranded, including misbranding of either or both of these products, within the meaning of the Federal Food and Drugs Act, as now constituted or in the future amended.

SEC. 3.—To give, permit to be given, or directly offer to give, anything of value for the purpose of influencing or rewarding the action of any employee, agent, or representative of another in relation to the business of the employer of such employee, the principal of such agent or the represented party, without the knowledge of such employer, principal, or party. *Provided*, this provision shall not be construed to prohibit free and general distribution of articles commonly used for advertising except as far as such articles are actually used for commercial bribery as hereinabove defined.

SEC. 4.—To make or attempt to make sales, in any manner whatsoever, by granting secret rebates, allowances, discounts, or concessions.

SEC. 5.—To sell or deliver raw linseed oil against specifications requiring special treatment of the oil without adding to the price a sufficient premium to cover the cost of such special treatment. To deviate from any published schedule of differentials or premiums for special linseed oils, or to use any means to circumvent the intent of this practice by slightly modifying any special oil and reducing the premium below the premium of the same type of refined oil. Any special oil not listed as a standard brand shall take the same premium as the refined oil group to which it belongs.



SEC. 6.—To grant a delivery option on any specified portion of products to be delivered under a linseed oil contract for future delivery for a period exceeding 2 months. This 2-months maximum period of delivery together with 15 days grace shall constitute a maximum free delivery period of 2 months and 15 days, within which a buyer shall be required to take a specified portion of such a contract.

SEC. 7.—To repudiate, change, or modify sales contracts on a rising market, or to consent to a repudiation, change, or modification of sales contracts on a declining market, provided, however, that nothing in this section shall be construed to prevent a member from compromising any dispute arising from a contractual relationship if a detailed report of a proposed compromise is made to the committee at once.

If in the opinion of the committee the details so reported constitute a sale below or upon terms differing from the terms found in the member's price schedule filed with the committee, such change shall be published in accordance with the provisions of article IX, section 5 of this code, and the member shall not consummate such proposed compromise until the new price schedule is effective.

SEC. 8.—To engage in destructive price cutting. If, in the opinion of the committee, any price schedule indicates destructive price cutting which would prevent in this industry effectuation of the declared policy of the act, the committee shall so notify the member whose price schedule is under investigation. If, after due notice and hearing in such manner as the committee may prescribe, the committee shall find that any such member has engaged in destructive price cutting, it shall warn the alleged violator to desist from such price cutting and may notify the Secretary who may take such action as he deems necessary in the premises.

Any finding of the committee made pursuant to this section shall be subject to an appeal to and review by the Secretary.

Pending the outcome of such appeal, the appellant shall abide by the decision of the committee unless the Secretary shall otherwise determine.

The Secretary may, upon his own motion, request the committee to investigate the price schedule of any member if it is his opinion that such price schedule is destructive. If the committee fails to begin an investigation at once and to report its findings to the Secretary within a reasonable time after receipt of such request to begin such investigation, the Secretary may order the member to desist from maintaining such price schedule until the member shall establish that such price schedule does not constitute destructive price cutting.

If the Secretary finds that any price schedules, prices, and/or terms of sale, in whole or in part, whether posted or not in accordance with article IX, section 5 of this code, are destructive, oppressive, or inequitable to the trade buyer, he may report such facts to the committee, recommending changes which are equitable in the circumstances. If, after two hours following the receipt of such recommendation, any such price schedules, prices, and/or terms of sale remain unchanged, the Secretary may then declare such price schedules, prices, and/or terms of sale ineffective, in whole or in part.

SEC. 9.—To discriminate directly or indirectly between different purchasers of the same class provided that nothing herein contained shall prevent a member of the industry from selecting his own customers in bona fide transactions and not in restraint of trade.

SEC. 10. To defame a competitor by falsely imputing to such competitor dishonorable conduct, inability to perform contracts, questionable credit standing, or by other false representations or disparagement of the grade or quality of his goods with the tendency or capacity to mislead or deceive purchasers or prospective purchasers.

SEC. 11. To ship linseed oil and/or linseed meal on a consignment basis or grant any special terms to any buyer to circumvent the intent of this practice. Each member having linseed oil and/or linseed meal on consignment on the effective date of this code, shall, within 10 days, furnish a list of all such consignments to the committee, giving date of expiration and the cancellation provisions of each, and shall within said 10-day period, file notice with each consignee of termination of each consignment contract according to the terms thereof.

SEC. 12. To sell linseed oil in containers without including in the terms of sale, which shall be posted as provided for in article IX, section 5, provisions that no delivery of containers shall be made without collecting for the containers at the time collection is made of the price for the product sold. The amount so collected shall not be less than such amount as the committee, with the approval of the Secretary, shall prescribe, and each lot of containers repurchased by the members of the industry and the price paid therefor, shall be subject to inspection by the committee.

#### ARTICLE VII—REGULATION OF MILL CAPACITY

SECTION 1.—Beginning with the effective date of this code and until such time as the demand for flaxseed products cannot be adequately met by the use of existing capacities, as determined by the committee, subject to the approval of the Secretary, manufacturing facilities shall not be increased by:

- (a) Expanding crushing capacities of members of the industry.
- (b) Construction of new crushing units by individuals, firms, or corporations not now engaged in the crushing of flaxseed.
- (c) The conversion of other oil-seed crushing plants to flaxseed crushing purposes.

Nothing under this section shall be construed or interpreted to control or restrict the repair, improvement, replacement, or modernization of present equipment so long as the capacity is not increased by changes.

SEC. 2.—The provisions of section 1 of this article to the contrary notwithstanding, applications for proposed, new, newly located and/or additional manufacturing facilities shall be made to both the Secretary and to the committee, which committee shall as soon as possible, but within a limit of 30 days after an application is made, present to the Secretary its recommendations regarding such applications. The Secretary shall have the power at any time, regardless whether the committee has made any recommendation at such time or not, to grant or deny permission for such needed, new, newly lo-

cated and/or additional facilities on the basis of economic need and/or other factors.

#### ARTICLE VIII—CRUSHING QUOTAS OF FLAXSEED

SECTION 1.—The committee shall determine and allocate quarterly the amount of flaxseed to be crushed by each member in accordance with the following paragraphs, provided that allocations shall be made to such members as have (a) crushed more than 1,000 long tons of flaxseed during the year 1933, and reported the same to the United States Bureau of Census; (b) or have filed with the committee within 20 days after this code becomes effective, proof of having crushed flaxseed in the year 1933 and the amount thereof, and a request for a flaxseed-crushing quota; (c) or have been granted new and/or additional manufacturing facilities by the Secretary in accordance with the provisions of this code.

The percentage of the flaxseed crush for the period to be crushed by each member who qualified under the preceding paragraph shall be determined on the basis of operating capacity, efficiency of operation, the location of the manufacturing plant, character of the business done by each member, amount of flaxseed crushed during 1933, and such other factors as the Secretary may determine to be applicable.

The allocation established for each member shall be subject to adjustment quarterly for quarters ending on the last day of December, March, June, and September, as the committee determines, on the basis of domestic and foreign flaxseed crop data, the crush of each member during the preceding quarter, and the consumptive trends for the products of the industry.

SEC. 2.—Any allocation established by the committee under the authority of this article or any transfer thereof shall be subject to the disapproval of the Secretary, and in the event that an agreement cannot be reached among the members the Secretary shall act as mediator in establishing allocations.

#### ARTICLE IX—BOOKS, RECORDS, AND REPORTS

SECTION 1.—The members shall severally, from time to time, upon the request of the Secretary (or the Administrator in case of information relating to hours of labor, rates of pay, or other conditions of employment) furnish such information to such Federal and State agencies on or in accordance with forms to be supplied, as may be deemed necessary for the purpose of (1) assisting in the furtherance of the powers and duties of the Secretary or the Administrator with respect to this code and/or (2) enabling the Secretary or the Administrator to ascertain and determine the extent to which the declared policy of the act and the purposes of this code will be effectuated, such reports to be verified under oath.

SEC. 2.—All books and records of members and their subsidiaries and/or affiliates shall be open to the examination of the Secretary during the usual hours of business.

SEC. 3.—The members shall severally keep books and records which will clearly reflect all financial transactions in their respective businesses and the financial condition thereof, and shall direct



and undertake to have their respective subsidiaries and affiliates keep such records.

SEC. 4.—Within 15 days after the effective date of this code, the committee shall appoint a cost-accounting committee to make a study of the cost-accounting principles employed in the industry for the purpose of formulating uniform cost-accounting principles which shall be adopted by the industry when approved by the Secretary.

SEC. 5.—Within 10 days after the effective date of this code each member shall file with the committee a price schedule for raw linseed oil in the several markets as classified in exhibit B, attached hereto, and made a part hereof. Said schedule shall include package, quantity, and special oil differentials with all prices, terms, and conditions of sale to all classes of the trade. Each member shall also file with the committee a price schedule for linseed meal in the several markets, as classified, including package, quantity, and grade differentials with all prices, terms, and conditions of sale to all classes of the trade. No member shall sell below such price schedules or upon terms differing from the terms found in such price schedules, except as hereinafter provided.

When a member desires to change any price schedule he shall notify the committee by telegram of such proposed change. Such proposed price schedule change shall become effective immediately upon the filing of the telegram for transmission to the committee.

The committee, upon receipt of any price schedule changes by any member, shall immediately advise all other members of such price schedule changes by telegram. All price schedule information shall be made immediately available by the committee to the daily press, the trade press, and to the public.

SEC. 6. All information furnished the Secretary pursuant to this article shall remain confidential in accordance with the applicable General Regulations, Agricultural Adjustment Administration. All information furnished the Administrator pursuant to this article and relating to the labor provisions of this code shall remain confidential. Provided, however, that the Secretary and/or the Administrator may combine the information obtained from members and/or subsidiaries or affiliates in the form of general statistical studies or data, and publish the same provided that before publication all such data shall be submitted to the committee.

SEC. 7.—Nothing in this code shall relieve any person of existing obligations to furnish reports to Government agencies: duplication of reports, shall, however, be avoided wherever possible.

No individual reports shall be disclosed to any other member of the industry or any other party except as may be directed by the Secretary or the Administrator.

## ARTICLE X—GENERAL ADMINISTRATION OF CODE

### SECTION 1. Code administrative committee.

The administration, supervision, and promotion of the performance of this code shall be vested in a code administrative committee which until otherwise determined as provided herein shall consist of the administrative committee of the National Linseed Oil Manufacturers' Association, a committee selected pursuant to the applicable

provisions of the bylaws of the said association adopted July 18, 1933, as amended January 9, 1934. Provided, that the provisions of the constitution and bylaws of the association shall not be changed except with the approval of the Secretary and the administrator while this code is in effect.

In order that the committee shall at all times be truly representative of the industry and in other respects comply with the provisions of the act, the Secretary and/or the Administrator may provide such notice and opportunity for hearing as he may deem proper; and thereafter, if he shall find that the committee is not truly representative or does not in other respects comply with the provisions of the act, may terminate the powers and duties hereinafter granted to the administrative committee of the association and/or may require an appropriate modification in the code administrative committee and/or in the method of selection thereof.

The Secretary and the Administrator may each designate not to exceed three representatives who shall have the privilege to sit in all meetings of the committee, without vote and without expense to the industry, who shall receive due notice of all meetings thereof in a reasonable time to permit their attendance, and who shall receive copies of all minutes, reports, and analyses of data, and have access to all books, records, and accounts that may be opened to the Secretary and/or the Administrator under the provisions of this code.

Sec. 2. General powers and duties of the code administrative committee.

(a) The committee shall use every reasonable effort to prevent violations of the provisions of this code by members, and shall be charged with the investigation of any alleged specific violation of the provisions thereof.

(b) The members shall use their best efforts to insure the observance of the conditions of this code. Any violation thereof which shall come to the knowledge of any member shall immediately be communicated to the committee by a written statement containing said charged violation and all available substantiating evidence.

It shall be the duty of the committee to investigate such charges and any other specific charges which may come to its attention through any reliable source: it shall investigate by requiring the member whose transactions are under investigation to submit a statement under oath which shall contain all relevant facts. *Provided*, however, that if a member (or alternate) of the committee shall in any case be a party charged with violation of the code (or the representative of such a party) he shall for the purpose of the investigation of said allegation and determination of the issue be deprived of all his rights, duties, and privileges as a member (or alternate) of the committee. Subject to the limitation hereinafter set forth in section 3 of this article any order or ruling of the committee shall be subject to a right of appeal to the Secretary.

If after investigation it is the opinion of the committee that the charges are based on fact, it may warn the violator to desist from the alleged violation, and/or submit the facts to the Secretary and/or the Administrator as the case may be to take such action as he deems necessary.

*Provided*, that nothing in this code shall be construed in such a way as to compel any member to divulge any detail of a manufacturing

process regarded by him as secret, to either the committee, the Secretary or the Administrator, nor shall any member be compelled to divulge a list of his customers to the committee.

(c) The committee shall have power to issue regulations and rulings affecting provisions of this code which shall be submitted for consideration to the Secretary, and any regulation or ruling (other than regulations or rulings affecting the labor provisions which shall be submitted to the Administrator for his disapproval), shall be subject to his disapproval. *Provided*, that if the disapproval of the Secretary or the Administrator as the case may be is not announced within 10 days, the committee may act in accordance with such regulation or ruling until such time as the regulation or ruling shall be disapproved.

If the Secretary or the Administrator shall determine as to matters subject to their respective jurisdiction that any action of the committee or any agency thereof may be unfair, or unjust, or contrary to the public interest, the Secretary or the Administrator, as the case may be, may require that such action be suspended to afford an opportunity for investigation of the merits of such action and further consideration by such committee or agency pending final action which shall not be effective unless the Secretary or the Administrator approves, or unless he shall fail to disapprove after thirty days notice to him of intention to proceed with such action in its original or modified form.

(d) The committee shall have power to use with the approval of the Secretary such trade associations and other agencies as it deems proper for the carrying out of any of its activities provided for herein, provided that nothing herein shall relieve the committee of its duties or responsibilities under this code and that such trade associations and agencies shall at all times be subject to and comply with the provisions hereof.

(e) The committee shall have power to make recommendations to the Secretary for the coordination of the administration of this code with such other codes, if any, as may be related to the industry, or affect members of the industry.

(f) The committee shall have the power to recommend to the Secretary any action or measures deemed advisable, including further fair trade practice provisions to govern members of the industry in their relations with each other or with other industries, and measures for industrial planning.

*Provided, however*, that nothing contained in this code shall constitute the members of the committee partners for any purpose. Nor shall any member of the committee be liable in any manner to anyone for any act of any other member, officer, agent or employee of the committee. Nor shall any member of the committee, exercising reasonable diligence in the conduct of his duties hereunder, be liable to anyone for any action or omission to act under this code, except for his own wilful malfeasance or nonfeasance.

*Provided further*, that each trade or industrial association directly or indirectly participating in the selection or activities of the committee shall (1) impose no inequitable restrictions on membership, and (2) submit to the Secretary and the Administrator true copies of its articles of association, constitution, bylaws, regulations, and



any amendments when made thereto, together with such other information as to membership, organization, and activities as the Secretary or the Administrator may deem necessary to effectuate the purposes of the act.

SEC. 3. Administration of "labor provisions."

(a) Within this industry all "labor provisions" are under the jurisdiction of the National Recovery Administration. The committee shall represent the industry in the administration and enforcement of the "labor provisions", and in addition to the specific power prescribed by this code, the committee shall have all general powers necessary to assist the Administrator in the administration of the "labor provisions."

(b) Subject to the right of the Administrator on review to disapprove any action taken by it, the committee shall have the following duties and powers to the extent permitted by the act:

(1) To secure reports from the members with respect to wages, hours of labor, conditions of employment and other matters pertinent to the administration of the "labor provisions."

(2) To hear such complaints of violations of the "labor provisions" as may be referred to it, and to make proper investigation thereof. If it shall appear to the committee that there has been a violation of the "labor provisions", it shall report the violation to the Administrator to take such action as the Administrator may approve to enforce the provisions of this Act.

(3) To make reports and recommendations to the Administrator necessary to effectuate the administration of the "labor provisions."

(c) The "labor provisions" may be modified on the basis of experience or changes in circumstances, such modification to be based upon application by the committee to the Administrator and such notice and hearing as he shall specify and to become effective on approval of the President.

SEC. 4.—The committee is authorized to incur such expenses and make such expenditures as may be necessary in the performance of its functions under this code and each member of the industry shall be subject to his pro-rata share of the cost of maintaining this code on the basis of the number of bushels of flaxseed crushed during the previous quarter; provided that the annual cost prorated shall not exceed  $\frac{1}{10}$  of a cent per bushel of flaxseed crushed, except if it is found that an additional amount is necessary for the maintenance of this code, such amount may be raised upon approval of 75 percent of the members and after approval by the Secretary. For this purpose the quarters shall end on the last day of December, March, June, and September. The treasurer of the Association shall act as fiscal agent for the committee under this code and shall keep separate accounts covering all financial transactions connected with the administration of this code.

SEC. 5.—The committee may be charged with such further powers and duties as lawfully may be delegated to it by the Secretary and/or the Administrator.

SEC. 6.—The committee shall, subject to the approval of the Secretary and/or the Administrator, designate as its agent or agents to exercise its powers and duties under this code in connection with the administration of this code in the Pacific Coast Region, the nominee or nominees of the members of the industry in that region.



## ARTICLE XI—ADVISORY COMMITTEE

The Secretary may appoint an advisory committee of not more than five, the membership of which shall represent the major flaxseed producing regions and interests of the United States. Said committee shall have the power to submit recommendations to the code administrative committee and to the Secretary on all questions affecting the interests of the producers of flaxseed in the United States and the chairman of the advisory committee shall have the privilege to sit, without vote, in all meetings of the code administrative committee for which purpose he shall receive due notice of such meetings in reasonable time to permit his attendance. He shall receive copies of all minutes, also reports and analyses of data affecting the interests of flaxseed producers prepared for or submitted to the Secretary.

The members of the industry shall not be subject to any expense or assessment in any form for the support of the advisory committee.

## ARTICLE XII—GRADE AND PRICE STUDIES

SECTION 1.—The committee shall, if and when requested by the Secretary assist the Secretary and/or the advisory committee and/or such other agencies as the Secretary may appoint in making studies of the conditions and circumstances affecting prices of flaxseed, linseed oil, and/or linseed meal, in all primary markets of the United States, the factors relating to the determination of grades and such other subjects relative to flaxseed as the Secretary may deem advisable.

SEC. 2.—If and when the Secretary shall have promulgated grades for domestic flaxseed after due notice and opportunity for hearing, then the industry shall purchase such flaxseed only on such basis, and in accordance with such grades, and if and when the Secretary announces the determination of the quantity and/or quality of oil in flaxseed can be made with sufficient accuracy and speed to permit the use of these determinations in the purchase and sale of flaxseed on certain terminal markets without placing an undue burden on the producer or buyers of flaxseed, then the members of the industry shall reflect these determinations in the prices paid.

SEC. 3.—When the price of flaxseed on one or more of the primary markets rises or falls relative to the price of flaxseed on other primary markets or foreign markets, or when the price of linseed oil and/or linseed meal on one or more markets in the United States rises or falls relative to the price of flaxseed, the Secretary may call on the committee or any member of the industry for an explanation of the change in price relations.

## ARTICLE XIII—DURATION OF IMMUNITIES

The benefits, privileges, and immunities conferred by this code shall cease upon its termination except with respect to acts done prior thereto.

## ARTICLE XIV—AGENTS

The committee (subject to the approval of the Secretary and/or the Administrator), the Secretary, and/or the Administrator may

each by designation in writing name any person or persons, including any officer or employee of the Government, to act as his or its agent or agents in connection with his or its respective powers and duties under any provision of this code.

#### ARTICLE XV—RESERVED POWER OF THE SECRETARY

Nothing herein contained is or shall be construed to be in derogation or modification of the rights of the Secretary to exercise any powers granted him by the act or otherwise, and, in accordance with such powers, to act in the premises whenever he may deem it advisable.

#### ARTICLE XVI—MODIFICATION AND AMENDMENT

SECTION 1.—This code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provision of section 10 (b) of the act, from time to time, to cancel or modify any order, approval, license, rule, or regulation issued under the act, and specifically but without limitation to the right of the President to cancel or modify his approval of the code or any conditions imposed by him upon his approval thereof.

SEC. 2.—Amendments to the code may be proposed to the committee by any member of the industry. The committee shall submit the proposed amendment to the industry as a whole and upon approval of two thirds of the entire membership of the industry shall forward the proposed amendment to the Administrator if the proposed amendment relates to hours of labor, rates of pay, and/or other conditions of employment and to the Secretary if the proposed amendment relates to any other matters. Amendments shall become effective only upon approval by the President and upon such date as he may fix.

#### ARTICLE XVII—MONOPOLIES

No provision in this code shall be construed to permit monopolies or monopolistic practices or to eliminate, oppress, or discriminate against small enterprises. Any exemption from the antitrust laws and/or any validation of any acts or things which would otherwise be unlawful, which may result from the execution of this code by the President, shall not extend or be construed to extend further than is absolutely necessary for the purpose of carrying out the provisions of this code.

#### ARTICLE XVIII—EFFECTIVE TIME

This code shall become effective on the 10th day after its approval by the President.

#### ARTICLE XIX—LICENSES AND MARKETING AGREEMENTS

If any license is hereafter issued or any marketing agreement hereafter executed, pursuant to provisions of the Agricultural Adjustment Act, containing provisions covering the subject matters referred to in subclauses (1) to (7) inclusive of section 1 of the Executive Order No. 6551 of January 8, 1934, then to that extent such license and/or marketing agreement shall supersede such provisions of this code.

## EXHIBIT A—STANDARDS OF QUALITY AND WEIGHT OF PACKAGES

### A. LINSEED OIL

Rule 1. *Standards of quality.*—The standards of quality shall be linseed oil of fair merchantable quality based on the season's production and conforming to Federal Specifications No. JJJ-O-336 for raw linseed oil and No. JJJ-O-331 for boiled linseed oil, the essential requirements of which are as follows: (See note 1, p. 23.)

#### RAW LINSEED OIL

“Raw linseed oil shall be pure oil ex-pressed from flaxseed and shall conform to the following requirements:

	Max.	Min.
Foots:		
Heated oil—percent by volume.....	1. 0	-----
Chilled oil—percent by volume.....	4. 0	-----
Specific gravity 15.5/15.5° C.....	. 936	0. 931
Acid number.....	4. 6	-----
Saponification number.....	195. 0	189. 0
Iodine number (a)—Wijs.....	-----	177. 0
Unsaponifiable matter—percent.....	1. 50	-----
Loss on heating at 105 to 110° C—percent.....	. 2	-----
Color—Not darker than a freshly prepared solution of 1.0 g. potassium bichromate in 100 cc pure concentrated sulphuric acid (sp. gr. 1.84).		

“(a) When high iodine number type of raw linseed oil is specified by the purchaser, the iodine number must be not less than 188 and the oil shall conform to all of the other requirements.”

#### BOILED LINSEED OIL

“Boiled linseed oil shall be pure linseed oil that has been treated (preferably by heating—kettle boiled) with compounds of lead, and at the option of the manufacturer with suitable compounds of other drying metals, so as to produce a product that will dry rapidly. It shall be clear, free from sediment, and shall meet the following requirements:

	Max.	Min.
Time of drying on glass—hours.....	18. 0	-----
Loss on heating at 105 to 110° C.—percent.....	. 2	-----
Specific gravity at 15.5/15.5° C. (a).....	. 945	0. 937
Acid number.....	7. 5	-----
Saponification number.....	195. 0	189. 0
Unsaponifiable matter—percent.....	1. 50	-----
Iodine number—Wijs.....	-----	170. 0
Ash—percent.....	. 50	-----
Lead—percent.....	-----	. 05

“(a) When quick process, not kettle-boiled, oil is called for in contract, the minimum specific gravity shall be 0.9310.”

The official methods of analysis of linseed oil shall be those of the Federal Specifications mentioned above, which are the same as those of the American Society for Testing Materials.

NOTE 1.—Unusual weather conditions may produce crops of flaxseed, the oil from a considerable part of which may deviate from these normal and standard specifications in one or more characteristics. In recognition of this fact and in order that such abnormal oil may have a proper place in the markets, the administrative committee may recommend permissible deviations from such standards, which recommendations, when approved by the Bureau of Standards, shall be observed by the linseed oil manufacturing industry.

EXCEPTION 1.—From the flaxseed crop of 1933 of North America the minimum acceptable iodine number of pure raw linseed oil shall be 170 and for boiled linseed oil the minimum acceptable iodine number shall be 165.

Rule 2. *Weight of Packages.*—The following package net weights in pounds will be considered as standard for linseed-oil sales unless buyer and seller mutually agree on some other figure at time of sale:

Cans—7½ lbs., 37½ lbs., and 75 lbs. exact.

Wooden barrel—375 lbs. approximate.

Steel drum—420 lbs. approximate.

Tank Wagon—size varies—state approximate weight.

5,000-gallon tank car—42,000 lbs. approximate.

6,000-gallon tank car—47,600 lbs. approximate.

7,000-gallon tank car—54,000 lbs. approximate.

8,000-gallon tank car—62,250 lbs. approximate.

10,000-gallon tank car—77,250 lbs. approximate.

## B. LINSEED MEAL

Rule 3. *Standards of quality.*—1. Pure old-process linseed cake is a product manufactured from flaxseed by the "old process" in which crushing rolls, cookers, and hydraulic presses are used. The final product shall contain not to exceed 6 percent of weed seeds and other foreign materials combined, and no portion of the stated 6 percent of weed seeds and other foreign materials shall be deliberately added.

*Pure old-process linseed meal* is ground pure old-process linseed cake. The term "linseed meal", when used in the industry and in this code, shall be understood to be pure old-process linseed meal.

*Pure expeller pressed linseed meal* is the ground product obtained from flaxseed after expressing part of the oil by crushing, cooking, and expeller pressure. The final product shall contain not to exceed 6 percent of weed seeds and other foreign materials combined, and no portion of the stated 6 percent of weed seeds and other foreign materials shall be deliberately added.

The standard of quality shall be pure linseed cake and/or meal, as above defined, of fair merchantable quality based on the season's production and conforming to the following standard specifications:

*Standard specifications of pure old-process linseed cake and linseed meal and pure expeller pressed linseed meal (Note 1)*

Domestic:	Percent
Protein -----	minimum-- 34.0
Fat -----	do----- 4.5
Carbohydrates:	
Fiber -----	maximum-- 9.0
N.F.E. -----	minimum-- 33.0
Insoluble Ash -----	maximum-- 0.5



Argentina :		Percent
Protein-----	minimum--	31.0
Fat-----	do-----	4.5
Carbohydrates :		
Fiber-----	maximum--	9.0
N.F.E-----	minimum--	35.0
Insoluble Ash-----	maximum--	0.5

NOTE 1: Unusual weather conditions may produce crops of flaxseed, the cake or meal from a considerable part of which may deviate from these normal and standard specifications in one or more characteristics. In recognition of this fact and in order that such cake or meal may have a proper place in the market, the administrative committee may recommend permissible deviations from such standards, which recommendations, when approved by the executive committee of the Association of American Feed Control officials, shall be observed by the linseed oil manufacturing industry.

The official methods of analysis for linseed cake or meal shall be those of the Association of Official Agricultural Chemists.

2. *Special products and byproducts.*—The following special products and byproducts have been defined by the Linseed Oil Manufacturers' Association as follows:

(a) *New process linseed meal* is a product manufactured from flaxseed by the "new process" in which solvents are used. The final product shall contain not to exceed 6 percent of weed seeds and other foreign materials combined, and no portion of the stated 6 percent of weed seeds and other foreign materials shall be deliberately added.

(b) *Flax plant byproduct (flax chaff)* is that portion of the flax plant remaining after the separation of the seed, the bast fiber, and a portion of the shives, and consists of flax shives, flax pods, broken and immature flax seeds, and the cortical tissues of the stem.

(c) *Flaxseed screenings* is a product consisting of any combination or combinations of whole or broken flaxseed, grain, weed seeds, and foreign materials which have been cleaned from flaxseed.

(d) *Ground flaxseed screenings* is a product obtained by grinding flaxseed screenings by utilizing the most improved commercial processes.

(e) *Flaxseed screenings oil feed* is the ground product obtained after extraction of part of the oil by crushing, cooking and applied pressure from the smaller oleaginous seeds, imperfect grains, weed seeds, and other foreign materials having feeding value, separated in cleaning flaxseed.

(f) *Linseed meal and flaxseed screenings oil feed* is a mixture of linseed meal and flaxseed screenings oil feed.

#### *Standard specifications for linseed meal and flaxseed screenings oil feed*

		Percent
Protein-----	minimum--	30.0
Fat-----	do-----	4.5
Carbohydrates :		
Fiber-----	maximum--	10.0
N.F.E-----	minimum--	37.0
Insoluble Ash-----	maximum--	5.0

Rule 4. *Standards of loading.*—A carload shall be forty thousand (40,000) pounds, unless otherwise specified at time of purchase, provided that where rules of carriers lawfully on file with the Interstate Commerce Commission or State railway commissions provide for minimum carload weights other than the above, such minimum weights shall constitute a carload within the meaning of this rule.

## EXHIBIT B—CLASSIFICATION OF MARKETS

1. "*Primary markets*" shall consist of all locations where members' plants are now located, namely: Portland, Oregon; San Francisco; Los Angeles; Fredonia; Des Moines; Cedar Rapids; Superior; St. Paul; Minneapolis; Red Wing; Milwaukee; Chicago (including Chicago Heights); Toledo; Cleveland; Buffalo; Amsterdam; the metropolitan district of Philadelphia; the metropolitan district of New York; and such additional locations where new members' plants may be established.

2. "*Secondary markets*" shall consist of all cities or towns where warehouse or bulk stocks are carried. Each member shall file with the committee a list of all salaried representatives, agents, brokers, and warehouse or bulk stocks, and shall notify the committee of all subsequent changes.

3. "*Rural markets*" shall consist of all cities or towns located outside of primary and secondary markets.





